

**State of Montana**  
**Oil & Gas Lease Sale - June 3, 2014**  
**Final Sale List**

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, June 3, 2014.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Bidder
<b>Fallon</b>								
1	1, 2, 3, 4, 5, 6, 7, 9	7.N	61.E	16	All	640.00	_____	_____
<b>Lewis and Clark</b>								
2	1, 2, 3, 4, 5, 6, 10	19.N	6.W	9	N2NE4, SW4NE4	120.00	_____	_____
3	1, 2, 3, 4, 5, 6, 7, 10	19.N	6.W	10	NE4NE4	40.00	_____	_____
4	1, 2, 3, 4, 5, 6, 7	19.N	6.W	23	E2	320.00	_____	_____
5	1, 2, 3, 4, 5, 6, 7	19.N	6.W	26	W2NW4, E2NE4, S2	* 480.00	_____	_____
6	2, 3, 4, 5, 6, 12	20.N	7.W	28	W2	320.00	_____	_____
7	2, 3, 4, 5, 6, 12	20.N	7.W	29	All	640.00	_____	_____
8	2, 3, 4, 5, 6, 12	20.N	7.W	30	NE4	160.00	_____	_____
<b>Richland</b>								
9	1, 2, 3, 4, 5, 6, 7	27.N	53.E	36	All	640.00	_____	_____
<b>Roosevelt</b>								
10	1, 2, 3, 4, 5, 6	28.N	58.E	36	All, below the base of the Charles formation	640.00	_____	_____
<b>Wheatland</b>								
11	1, 2, 3, 4, 5, 6, 7, 11	6.N	14.E	16	All	640.00	_____	_____
12	1, 2, 3, 4, 5, 6, 7	6.N	14.E	26	All	640.00	_____	_____
13	1, 2, 3, 4, 5, 6	6.N	14.E	32	All	640.00	_____	_____
14	1, 2, 3, 4, 5, 6, 7, 11	6.N	14.E	36	All	* 640.00	_____	_____
15	1, 2, 3, 4, 5, 6, 8, 11	7.N	14.E	36	All	* 640.00	_____	_____
16	1, 2, 3, 4, 5, 6, 7, 11	7.N	15.E	34	All	640.00	_____	_____

\* Part or all of tract is not state-owned surface

**Total Tracts** 16

**Total Acres** 7,840.00

Additional lease stipulations are listed on the following pages. The Stipulations column on the sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities may request assistance or special services by calling (406) 444-4576 at least one week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

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**Stipulations**

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- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 This lease is located within MT-DFWP sage-grouse general habitat. Active general area sage-grouse leks are currently known to exist on or within 2 miles of this lease. Proposed activities must comply with the Montana Greater Sage-Grouse Habitat Conservation Strategy and amendments thereto.
- 10 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 11 Any activity within 1/8 mile of the river, stream, floodplain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river and/or stream, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river, stream, or lake/reservoir.

- 12 This lease is located near the Rocky Mountain Front and includes areas that are environmentally sensitive. Therefore, except as otherwise provided below, the lessee shall not conduct any surface operations on the lease premises. If the lessee determines that surface operation on the lease premises may be required, the lessee shall submit a proposed Operating Plan or Amendment to an existing Operating Plan to the State Board of Land Commissioners describing in detail the proposed operations. No surface activities shall occur on the lease premises unless and until the Operating Plan or Amendment is approved by the Board. In determining whether to approve the proposed Operating Plan or Amendment, the following provisions shall apply:
- 1) If the lessee proposes an activity that does not entail any significant surface disturbance, the Board may approve the same after completion of the appropriate environmental review in accordance with the Montana Environmental Policy Act (MEPA) and an opportunity for public comment on the proposed activity has been provided.
  - 2) Before the Board approves any proposed activity on the lease premises that entails a significant surface disturbance, an environmental impact statement (EIS) shall be completed in accordance with MEPA. The EIS shall analyze the potential impacts of alternative and future potential levels of oil and gas development and extraction on an ecosystem scale as the ecosystem is defined by the "Limits of Acceptable Change - Bob Marshall Wilderness Complex" adopted by the Montana Department of Fish, Wildlife and Parks in December 1991. The analysis shall consider all relevant information, which may include, but is not limited to, existing environmental reviews and management plans. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in at least three communities including Great Falls and Helena.
  - 3) The proposed surface activity shall adhere to the "Interagency Rocky Mountain Front, Wildlife Monitoring/Evaluation Program, Management Guidelines for Selected Species" adopted by the Montana Department of Fish, Wildlife and Parks in September 1987, or any successor guidelines thereto.
  - 4) The Board may refuse to approve any proposed surface operations if it determines that they do not constitute the best use of trust resources or are not in the best interest of the State of Montana.

# DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

## Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

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HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: September 3, 2014 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the September 2014 Oil and Gas Lease Sale has been set for **WEDNESDAY, SEPTEMBER 3, 2014**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in September is 5:00pm on June 17, 2014. Applications must be received in this office by that date. If you have any questions, please contact me at [jmason2@mt.gov](mailto:jmason2@mt.gov) or (406) 444-4576.

Julie Mason, Supervisor  
Mineral Leasing Section  
Minerals Management Bureau